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**ANNUAL REPORT OF THE GOVERNOR  
OF HONG KONG TO THE  
SECRETARY OF STATE  
FOR THE HOME DEPARTMENT  
UNDER THE BRITISH NATIONALITY  
(HONG KONG) ACT 1990**

*Presented to Parliament by the Secretary of State for the  
Home Department by Command of Her Majesty*

*March 1992*

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# British Nationality (Hong Kong Act 1990)

TO THE SECRETARY OF STATE FOR THE HOME DEPARTMENT

ANNUAL REPORT ON THE BRITISH NATIONALITY SCHEME  
(7 NOVEMBER 1990 – 6 NOVEMBER 1991)

This report is submitted pursuant to section 4 of the British Nationality (Hong Kong) Act 1990. All the provisions of the Act, except section 2(2) which relates to the loss of British Dependent Territories citizenship, came into force on 7 November 1990. This report covers the first year since the coming into force of the Act, i.e. from 7 November 1990 to 6 November 1991, and deals with the following subjects:

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## Legislation and related legal instruments

2. Under section 1(1) of the Act, you shall register as British citizens 50,000 principal beneficiaries recommended by me under a scheme made and approved in accordance with Schedule 1 to the Act. In accordance with paragraph 2(a) of Schedule 1, I submitted a scheme to you in October 1990. The scheme is set out in the Schedule to the British Nationality (Hong Kong) (Selection Scheme) Order 1990 which was made by the Privy Council on 20 November 1990 and came into force on 1 December 1990. The scheme is designed to cover key people in a wide range of occupations (the general occupational class), members of the disciplined services (the disciplined services class), people who may find themselves vulnerable in the years ahead (the sensitive service class) and key entrepreneurs who have an important contribution to make to the economy of Hong Kong (the entrepreneurs class).

3. As empowered by section 3(1) of the Act, I made regulations with respect to the manner in which applications are to be made and the payment of fees. The British Nationality (Hong Kong) (Recommendations for Citizenship) Regulations 1990 were made on 22 November 1990 and came into operation on 1 December 1990.

4. In addition, the British Nationality (Miscellaneous Provisions) (Amendment) Ordinance 1990 was passed by the Legislative Council of Hong Kong on 17 October 1990 and came into force on 1 December 1990. The Ordinance makes it an offence for applicants to make false statements in connection with applications made under the Act and provides for the preservation of confidentiality of information provided by applicants, and relating to their identity.

5. Since the announcement of the scheme by the Secretary of State for Foreign and Commonwealth Affairs on 20 December 1989, the necessary legislative framework for implementation of the scheme has been enacted. The legislation and related legal instruments include:

- (a) the British Nationality (Hong Kong) Act 1990;
- (b) the Commencement Notice in respect of the Act;
- (c) the British Nationality (Hong Kong) (Selection Scheme) Order 1990;
- (d) the British Nationality (Hong Kong) (Registration of Citizenship) Regulations 1990;
- (e) Secretary of State's direction to the Governor under section 1(3) of the Act;
- (f) the British Nationality (Hong Kong) (Recommendations for Citizenship) Regulations 1990;
- (g) the British Nationality (Miscellaneous Provisions) (Amendment) Ordinance 1990; and
- (h) the Commencement in respect of the Ordinance.

There was close consultation between HMG and HKG in preparing the legislation and related instruments.

## Application period and response

6. All applicants, unless invited to apply, were required to submit their applications in the three-month period from 1 December 1990 to 28 February 1991. Applications under the sensitive service class and the entrepreneurs class were normally by invitation and the invitees were requested to submit their applications within the period specified in the invitation.

7. In launching the scheme, information booklets explaining the selection method, application forms and reference manuals were made widely available. A publicity campaign was conducted to help the public understand the scheme. Hotlines were also set up in the Immigration Department to answer any queries the public had.

8. When the three-month application period closed on 28 February 1991, a total of 55,507 applications had been received in the general occupational class and 8,309 in the disciplined services class. A breakdown of the number of applications received in the general occupational class is at Annex A and that in the disciplined services class at Annex B. As at 6 November 1991, 1,950 applications had been received in the sensitive service class and 298 in the entrepreneurs class.

## Steering Committee

9. In exercise of the powers conferred by section 3(3)(a) of the Act, I appointed a Steering Committee to advise me on selected matters relating to the scheme. The Steering Committee is made up of highly respected members of the local community drawn from the business, professional, academic and political fields. They are:

Chief Secretary (Chairman)  
Baroness Dunn  
Sir Q. W. Lee  
Mr. Peter Wong Hong-yuen  
Mr. Andrew So  
Professor Charles K. Kao  
Mr. Peter W. Heap  
Secretary for the Civil Service  
Secretary for Security  
Commissioner, Independent Commission Against Corruption

Their initial appointment is for the period from 1 December 1990 to 31 December 1991.

10. During the period under review, the Steering Committee has held 11 meetings. The matters put to them for advice included:

- (a) the application of special circumstances points to applicants in the general occupational class and the disciplined services class;
- (b) the procedures for handling applications in different classes and the procedures for transfer between classes;
- (c) the criteria for assessing good character;
- (d) consideration of the profiles of the lists of applicants in various classes ready for my recommendation;
- (e) consideration of occupation-related awards, voluntary agencies and acts of bravery submitted by applicants as worthy for point-scoring purposes under Article 14(5) of the Order; and
- (f) publicity arrangements.

*Criteria adopted in the application of special circumstances points in the general occupational class*

11. When making its recommendations as to the need to allocate special circumstances points under Article 14, the Steering Committee considered the profiles of the potentially successful applicants in the various occupations. Recommendations were made having regard to the criteria set out in the Article, the actual points scored under the various heads, the overall success rate of the particular occupation and descriptions of applicant within that occupation, and any submissions made on behalf of a particular occupation or description of applicant.

12. As regards Article 14(4) and (5) in relation to the recognition of an applicant's exceptional merit or outstanding achievement, special circumstances points have been allocated following recommendations by the Steering Committee as follows:

- (a) Occupation-related achievements (maximum 30 points)

Points were scored for publicly recognised and prestigious awards won in connection with an applicant's occupation. Applicants scored 10 points for each approved award received up to a maximum of 30 points for three awards.

- (b) Voluntary work (maximum 30 points)

A maximum of 30 points could be scored for unpaid work with approved voluntary agencies in the social, medical or educational fields. Service as members of the board of directors or management committees of an approved agency for a continuous period of not less than three years could score six points. Thereafter, each additional year of service could score two points. Alternatively, service as volunteer helper in approved agencies for a continuous period of not less than three years could score six points, provided that such service amounted to an average of not less than four hours each month. Thereafter, two points could be awarded for each additional year of similar service.

- (c) Acts of bravery (maximum 20 points)

A sovereign award could score 20 points while other approved awards in recognition of acts of bravery scored 10 points each.

Applicants could score points under all three categories but the total could not exceed the maximum of 50 points.

*Criteria adopted in the application of special circumstances points in the disciplined services class*

13. Article 22(4) of the British Nationality (Hong Kong) (Selection Scheme) Order 1990 stipulates that up to 150 special circumstances points may be allocated to applicants from various disciplined services:

- (a) to take account of the need to maintain the quality and staffing levels of personnel in the disciplined services;
- (b) to take account of the applicant's performance in service or any honours received by him in connection with that service; and
- (c) to moderate age or experience points.

14. With a view to retaining the right mix of experienced personnel in each service, the Steering Committee recommended that special circumstances points should be awarded:

- (a) to moderate age and/or experience (including allocation of points to recognise managerial or supervisory responsibility);
- (b) to recognise quality of service, on the basis of performance ratings in the last three confidential reports in the service which an applicant serves; and
- (c) to recognise commendations awarded by the Queen, the Governor or head of service.

The method of allocating special circumstances points for individual disciplined services has been adopted as advised by the Steering Committee.

## Processing of applications

15. The Immigration Department gave a high priority to the swift processing of applications in order to achieve the greatest possible impact in terms of retaining key personnel in Hong Kong. However, they encountered some difficulties in ranking the applications received according to the number of points scored because a large number of applicants had not fully or properly completed their application forms. As a result, the Department had to write to such applicants and/or interview them in order to obtain the necessary information. This process was completed in October 1991.

16. After all the applications in an occupation had been ranked according to provisional points scored, the profile of the applicants was then analysed and submitted to the Steering Committee for consideration. Subject to the endorsement of the Steering Committee, the Immigration Department commenced interviewing the potentially successful applicants to verify the information provided and initiated character checks on them. During the period covered by this report, the profiles of 14 occupational groups (out of a total of 20), all the 6 approved occupations and 8 disciplined services (out of a total of 9) had been considered by the Steering Committee.

17. A list of the occupations already considered by the Steering Committee is at Annex C. It is envisaged that the remaining occupations will have been considered by the committee by December 1991.

18. The verification interview is the most time-consuming step in the whole application process as all the potentially successful applicants need to be interviewed. The purpose of the interviews is to verify information provided in the application form in order to confirm or adjust the provisional points scored; to check documents to establish relationship between the principal applicant and his/her dependants; and, to clarify any doubts arising from the character checks. It is envisaged that by the end of 1992, the majority (about 75 per cent) of the potentially successful applicants will have been interviewed. The rest will be processed in the first half of 1993.



## Successful applicants

19. As at 6 November 1991, 3,443 persons had been recommended for registration and issued with certificates of registration under the scheme. This included 1,202 principal applicants, 989 spouses and 1,252 minor children. The average family size was 2.86. A breakdown by class of the number of principal beneficiaries is as follows:

General Occupational Class	155
Disciplined Services Class	83
Sensitive Service Class	933
Entrepreneurs Class	31
	<hr/>
	1,202
	<hr/>

20. The number of successful applicants registered so far is not large because of the checks built into the system to safeguard confidentiality and to minimise the possibility of manipulation. These safeguards are especially front-end loaded. A more detailed description of the safeguards is covered in paragraph 34. As mentioned earlier, the intention is to interview about 75 per cent of the potentially successful applicants by the end of 1992 and the rest in the first half of 1993. The rate of registration will roughly follow the same pattern.

21. So far, no applications have been rejected. It is envisaged that the first batch of rejections will be issued in early 1992.

### *Profile of successful applicants in the general occupational class*

22. The successful applicants in the general occupational class are generally well qualified. Of the 155 successful applicants, 138 (89 per cent) score more than 75 of a possible 150 points for qualifications. 109 (70 per cent) of them are degree holders. Almost all of them (98 per cent) hold professional or vocational qualifications.

23. The length of experience of the successful applicants ranges from 6 to 24 years. 147 (95 per cent) have 10 years' experience or more in their relevant fields.

24. The age of these applicants ranges from 29 to 54. 140 of them (90 per cent) are in the prime age band of 30 to 41. 14 (9 per cent) are over 41 years old.

25. The profiles of the successful applicants in the general occupational class registered so far show that the points system has been able to capture the candidates targetted.

### *Profile of successful applicants in the disciplined services class*

26. The successful applicants in the disciplined services class are also generally well qualified. Of the 83 beneficiaries, 49 (59 per cent) score more than 75 of a possible 150 points for qualifications. All of them have received education up to at least Secondary 5 level and 12 (15 per cent) of them are degree holders. All score points for professional training or further qualifications.

27. As regards experience, all the successful applicants are well experienced in their respective disciplined services. Their length of experience ranges from 12 to over 24 years.

28. The age distribution of these successful applicants ranges from 33 to 47. Some 58 (70 per cent) of them are in the prime age band and 25 (30 per cent) are over 41.

### *Profile of successful applicants in the entrepreneurs class*

29. 31 principal applicants registered are in the entrepreneurs class. All these applicants were invited by me to apply. Recommendations for registration under this class have been made taking into particular consideration the following matters:

- (a) the extent of the applicants' investment in Hong Kong;
- (b) the annual turnover of their businesses in Hong Kong;
- (c) the number of persons employed in such businesses; and
- (d) the extent to which the applicants' emigration would undermine confidence in the economy of Hong Kong.

30. All the 31 beneficiaries have significant business interests in various sectors of the economy. The retention of these entrepreneurs in Hong Kong is an important element in maintaining a high level of economic activity locally and stabilising the confidence of both residents and foreign investors in Hong Kong.

#### **Successful applicants scoring points for service with “British undertakings”**

31. Under the point system, employees of “British undertakings” score one point for every 6 months’ relevant service up to a maximum of 35 points. Of the 155 successful applicants in the general occupational class, 17 score points for their current service with British undertakings and 2 for their past service.

32. A special advisory group, chaired by the Senior British Trade Commissioner, was set up to advise me whether certain firms or organisations could be regarded as “British undertakings” for point-scoring purposes. In making the recommendations, the advisory group has taken into consideration factors such as the country of incorporation of the organisation and of any controlling company; the nationality of shareholders, managers or partners; and, the extent to which the organisation carries on trade or has business connections with the United Kingdom. The list of approved “British Undertakings” is available for public information.

### **Safeguards**

33. Various safeguards have been incorporated in the system of implementing the scheme to ensure security and prevent corruption. Apart from the setting up of the Steering Committee to monitor the implementation of the scheme, other safeguards include:

#### **(a) Independent Commission Against Corruption (ICAC)**

ICAC have been involved from the design stage to the implementation of the scheme. Their involvement includes:

- (i) representation on the Steering Committee, task groups and working groups which has assisted to develop, implement and monitor the scheme;
- (ii) participation in devising computer systems and operational procedures; and
- (iii) vetting staff involved in the scheme and candidates for registration as British citizens.

#### **(b) Legislation**

As mentioned earlier, the British Nationality (Miscellaneous Provisions) (Amendment) Ordinance 1990 makes it an offence for anyone involved in the processing of applications to reveal information provided by applicants or relating to their identity. Such officers are also subject to the Prevention of Bribery Ordinance.

#### **(c) Security Vetting**

All Hong Kong Government staff involved in the operation of the scheme are subject to security vetting by the Independent Commission Against Corruption and the Royal Hong Kong Police Force.

#### **(d) Computer Security**

Automated systems have been developed to process applications, which include the calculation of points, production of applicants’ profiles, data analysis and production of machine readable passports. These systems have different levels of security safeguards, e.g. the use of individual passwords to guard against unauthorised access to data. There are also audit reports of various kinds for control purposes. Officers of the Independent Commission Against Corruption have been very much involved in designing the system specifications, e.g. data security, data verification, transaction reports about record changes, and suppressing the identity of applicants in computer reports wherever possible.

(e) Procedural Safeguards

The following major safeguards have also been built into the operational procedures, which are subject to periodic reviews jointly conducted by the Immigration Department and the Independent Commission Against Corruption to ensure that they remain relevant, efficient and effective:

- (i) the procedures have been designed to ensure that applications are handled by different officers at each stage of the selection process and work is checked at each stage by a more senior officer;
- (ii) interviews for the purpose of verifying identity and documentary evidence are conducted by senior Immigration Officers. The allotment of cases is done on the day of interview in a random manner by a Chief Immigration Officer;
- (iii) officers involved in the processing of individual applications play no part in the recommendation process as recommendations are made by me on the advice of the Steering Committee; and
- (iv) the role played by the Steering Committee minimises the chance of corruption.

### Impact of scheme

34. The scheme was introduced at a time when the people of Hong Kong were suffering from a serious confidence crisis.

35. The introduction of the scheme has provided the people of Hong Kong with reassurance at a time when they needed it most. Announcement of the scheme has exerted a stabilising effect on the community. It has also acted as a catalyst, encouraging other countries to implement various insurance schemes specifically for Hong Kong.

Governor

3 February 1992

**Breakdown of number of applications received in the general occupational class**

<i>Occupational Groups</i>	<i>Number of applicants</i>	<i>Quota</i>
OG 1: Managers & Administrators		
(a) non-civil servants	10,774	14,535
(b) civil servants	1,664	392
OG 2: Business Professionals	1,834	961
OG 3: Business Associate Professionals	6,976	3,872
OG 4: Accountants & Auditors	3,788	1,261
OG 5: Accounting Associate Professionals	1,227	298
OG 6: Engineers & Related Professionals	5,020	1,869
OG 7: Architects, Planners & Surveyors	1,445	434
OG 8: Engineering Associate Professionals	4,203	1,031
OG 9: Information Science Professionals	3,020	1,870
OG 10: News Editors & Journalists	484	160
OG 11: Medical Doctors	1,775	469
OG 12: Physical & Life Science Professionals	261	40
OG 13: Nurses & Midwives	2,415	1,334
OG 14: Other Medical Professionals	504	146
OG 15: Health Associate Professionals	1,125	569
OG 16: Legal Professionals	1,201	185
OG 17: Legal Associate Professionals	431	85
OG 18: Teaching Professionals (Post-secondary)	685	334
OG 19: Educational Administrators	745	208
OG 20: Other Teaching Personnel	4,536	2,247
<i>Approved Occupations</i>		
AO 1: Computing Equipment Controllers	228	150
AO 2: Life Science Technicians	53	25
AO 3: Physical Science Technicians	132	25
AO 4: Social Work Professionals	546	108
AO 5: Statistical Assistants	145	50
AO 6: Translators & Interpreters	290	42

**Breakdown of applications received in the disciplined services class**

	<i>Number of applicants</i>	<i>Quota</i>
Correctional Services	982	820
Customs & Excise Service	608	399
Fire Services	1,395	972
Immigration Services	1,034	438
Operations Department, Independent Commission Against Corruption	205	77
Royal Hong Kong Auxiliary Air Force	18	10
Royal Hong Kong Police Force	3,292	3,282
Army	646	159
Navy	129	43

**Profiles of Occupational Groups, Approved Occupations and Disciplined Services  
already considered by the Steering Committee on British Nationality Scheme as at  
6 November 1991**

*Occupational Groups*

OG 2: Business Professionals  
OG 4: Accountants & Auditors  
OG 7: Architects, Planners and Surveyors  
OG 9: Information Science Professionals  
OG 10: News Editors and Journalists  
OG 11: Medical Doctors  
OG 12: Physical and Life Science Professionals  
OG 13: Nurses and Midwives  
OG 14: Other Medical Professionals  
OG 15: Health Associate Professionals  
OG 16: Legal Professionals  
OG 17: Legal Associate Professionals  
OG 18: Teaching Professionals (Post-secondary)  
OG 19: Education Administrators

*Approved Occupations*

AO 1: Computing Equipment Controllers  
AO 2: Life Science Technicians  
AO 3: Physical Science Technicians  
AO 4: Social Work Professionals  
AO 5: Statistical Assistants  
AO 6: Translators and Interpreters

*Disciplined Services*

Correctional Services  
Customs and Excise Service  
Fire Services  
Operations Department, Independent Commission Against Corruption  
Royal Hong Kong Auxiliary Air Force  
Royal Hong Kong Police Force  
Army  
Navy



